Health Home Summary for Community Mental Health Agencies

February 6, 2011

The Health Home option provided for in Section 2703 of the ACA is an important one for the Department and the PIHP/CMHSP system as it offers incentive money to states to develop and implement a 'medical home' arrangement for individuals with chronic conditions, including a serious mental illness. This emphasis on individuals with serious mental illness is so important that CMS has teamed with SAMHSA to partner in the review and approval process for this initiative. SAMHSA is offering states technical guidance to be successful in developing and implementing this initiative as an addition to the state's Medicaid plan.

While we have not been in a position to move rapidly with implementing this option, work on developing a state plan amendment is evolving. The communication from CMS about the Health Home option was released in mid-November, and CMS provided additional perspective in the first week in December in a multi-state conference call. But demands coming from the transition into office of a new administration together with the demands of developing budget proposals for the FY 12 budget have prevented Steve Fitton, MSA Director and I to move work on the Health Homes option to the top of our list.

We have, however, been holding discussions in a small group about the option for the purpose of getting our own minds clear on what this option offers and how to proceed to conduct planning within the public mental health system. It is important that we frame the model options and clarify what the option is and is not, in order to provide a clearer context for further planning and for taking action to develop a state plan amendment to implement this important option.

Once a state develops and has received approval for the Health Homes option as a state plan amendment, the state may draw Medicaid federal share funding (FMAP) at 90% for eight quarters (two years) to pay the costs of specified services which are elements of assuring a health home approach to addressing the primary and behavioral health care needs of individuals with the chronic conditions specified in Section 2703 of the ACA. The increased FMAP is provided for the purpose of incentivizing the state to develop and deploy health homes as centers of disease management and wellness promotion for individuals with chronic conditions as specified in the act. But it is to our benefit that, before we initiate this option that we assure our system is well-positioned to take advantage of the increased FMAP incentive by assuring that as many PIHP entities have in place or are on the brink of, an actual health home model that fits within the approved state plan amendment. This is because once the state implements the option for obtaining the expanded FMAP of 90%, it has only eight quarters to draw this enhancement. So if only one or two PIHPs are prepared when this is implemented, those are the only sites where the additional FMAP can be applied. Certainly as more locations put approved models for health home practices into place, those can be

eligible for the enhanced funding, but once the eight quarter period has ended, the enhanced funding goes away, and for those health home projects that qualify later than the outset of the state plan initiation date, the state will be prevented from drawing the full eight quarters of enhanced FMAP for their work.

So our work, as we view it at present, is to initiate an expanded working group for PIHPs sometime in the month of February, and we are using the current discussions to distill a framework that can provide guidance to the PIHPs in planning and evolving health home models. We see these models as evolving from current PIHP work on achieving integrated primary and behavioral health care experiences for consumers. A health home, though, is more than simply assuring access to primary health care, or even co-locating services for consumers in the public mental health system. It is a model aimed specifically at individuals with chronic diseases or those with symptoms demonstrating that they are at the verge of onset of a chronic condition. It proposes to improve the health conditions of these individuals and reduce health care costs that can result from untreated chronic conditions. The ACA requirements include collection of data that allow evaluation of the impact of a Health Home in areas of cost and health outcomes. There are expectations that local IT systems can interface with local health homes work in order to provide this sort of data for the health home activity that occurs. The technical as well as the practice expectations of this option are ones that require some time to be put into place, so we will want to sequence our actual application and implementation so that as many PIHP systems as possible are in a position to implement the option once it begins in Michigan. As well, part of our state-level planning for this option may well involve populations other than those Medicaid eligible individuals served through the public mental health system. The same sort of preparatory work needs to occur for the systems serving these other populations.

I hope this response provides you with a clear perspective of where we are with the development of the Health Homes option.

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